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Letter dated 6 February 2015 from the Permanent Representative of Uzbekistan to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith information on the outcomes of the socioeconomic development programme of the Republic of Uzbekistan in 2014 and on the priorities of the economic programme in 2015 (see annex).

I would appreciate it if you could circulate the present letter and its annex as a document of the sixty-ninth session of the General Assembly, under agenda item 19.

(*Signed*) Muzaffar **Madrakhimov**

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Annex to the letter dated 6 February 2015 from the Permanent Representative of Uzbekistan to the United Nations addressed to the Secretary-General

[Original: Russian]

Outcomes of the socioeconomic development programme in the Republic of Uzbekistan in 2014 and priorities of the economic programme in 2015

On 16 January 2015, the Cabinet of Ministers of the Republic of Uzbekistan held a meeting on the outcomes of the socioeconomic development programme in Uzbekistan in 2014 and the priorities of the economic programme in 2015. The President of Uzbekistan, Islam Karimov, presented a report at the meeting.

In his statement, the President noted that, despite the impact of the ongoing global financial and economic crisis, slowing growth rates in the world economy, and deepening stagnation and recession in many countries, Uzbekistan had achieved stable high rates of development of the economy and its major sectors in 2014, thanks to targeted and systematic implementation of the priorities of its economic programme.

The outcomes for 2014 indicate that the country's gross domestic product (GDP) rose by 8.1 per cent, with an 8.3 per cent increase in industrial production, a 6.9 per cent increase in agricultural production, a 10.9 per cent increase in capital construction and a 14.3 per cent increase in retail trade. Around 70 per cent of production consisted of finished goods with high added value.

Inflation was 6.1 per cent, significantly lower than estimates. The State budget had a surplus of 0.2 per cent of GDP, with a decrease in the tax burden from 20.5 to 20.0 per cent of GDP and a reduction in the corporate income tax rate from 9 to 8 per cent.

The reform and strengthening of the banking system created the necessary preconditions for a reduction in the Central Bank refinancing rate from 12 to 10 per cent and a corresponding decrease in the interest rate for commercial bank loans. In recent years, the leading international credit rating agencies have rated the outlook for the Uzbek banking system as "stable".

The implementation of a carefully planned active investment policy on large-scale modernization and the technical and technological upgrading of production as well as social, transportation and communications infrastructure has led to a 10.9 per cent increase (equivalent to $14.6 billion) in investments in the economy. More than 21.2 per cent of all capital investments were from foreign investments and loans, three quarters of which were foreign direct investment. Over 73 per cent of investments went into industrial construction. In the main economic sectors, 154 major facilities fitted out with the latest high-technology equipment and valued at over $4.2 billion were brought online.

Ongoing measures were implemented to support and stimulate Uzbek export producers, boost the competitiveness of their products and help them enter new markets. As a result, there was a net trade surplus of $180 million, and gold and foreign-exchange reserves increased by $1.6 billion.

Systematic measures were undertaken to improve the business environment and create more favourable conditions for small business and private enterprise development. These measures included the opening of a "single window" for the establishment of businesses, maximum streamlining of statistical and tax reporting by small businesses, and significant broadening of access to raw materials for private entrepreneurs. As a result, the share of GDP attributable to small business has grown from 31 to 56 per cent since 2000, while its share of industrial production has increased from 12.9 to 31.1 per cent.

The share of GDP represented by services rose from 53 to 54 per cent. Among high-technology services, the fastest development has been seen in communications and information technology services, which have grown 3.3-fold over the past five years, with growth of 24.5 per cent last year.

This dynamic and balanced economic development has laid a solid foundation for steady improvement in the standard of living and quality of life of the Uzbek people. The wages of employees of State-funded organizations, as well as pensions and stipends, increased by 23.2 per cent last year. Real per capita income rose by 10.2 per cent. In 2014, around one million jobs were created, 60 per cent of them in rural municipalities, and over 600,000 recent graduates found employment.

In his report, the President set out and analysed the remaining problems to be solved and described the actions planned in order to implement the priorities and manage the country's socioeconomic development in 2015. He outlined the tasks to be carried out at all levels of Government by ministries, departments, economic associations and khokimiyats (local governing bodies) to ensure that the necessary measures are taken to maintain high rates of economic growth, extend the structural transformation of the economy, modernize and actively diversify the main industrial sectors, foster the localization of production, and develop the transportation and communications infrastructure. Organizational measures were set out that will further reduce the State presence in the economy to strategically and economically justifiable levels; overhaul the principles of and approaches to corporate management; eliminate all barriers to and restrictions on complete freedom of private property and private entrepreneurship; and create the necessary conditions to ensure jobs for Uzbeks and increase their standard of living and quality of life.

A particular focus was ensuring the implementation of policy measures on the achievement of the goals and objectives for the current year established in connection with the declaration of 2015 as the year of attention to and concern for the older generation, including measures to ensure comprehensive support for seniors, particularly veterans of the war and the labour front of 1941-1945, a higher level and quality of medical and social services, the provision of assistive devices and technologies for rehabilitation, and a complete upgrade of the system of organization of daily living activities and leisure activities for the elderly.

As the outcome of the meeting, the Government adopted a decision in which it identified practical steps towards the implementation of the priorities of the country's economic programme for 2015.